

MEMORANDUM

To: Regional Greenhouse Gas Initiative Agency Executives

From: Members of the Subgroup on Model Rule Development,
as Led by Representatives from Massachusetts¹

Date: January 16, 2004

Re: Update on Model Rule Subgroup Activities and Next Steps

This memorandum describes the efforts of the Model Rule Subgroup since the beginning of October, 2003. Set out below first is the Subgroup's assigned task as described in the Action Plan adopted by the agency chief executives on September 29, 2003. Second, we briefly describe the Subgroup's accomplishments to date. Lastly, we explain the Subgroups next steps.

The Task

The RGGI Action Plan tasked the Model Rule Subgroup with proposing a model rule outline for consideration by the Working Group, and to identify policy decisions that must be made prior to completion of the model rule. The outline will help to ensure that all significant policy decisions are identified early in the process to enable analysis and discussion of the issues among the states and with stakeholders.

Accomplishments

The Subgroup has accomplished the task of compiling a model rule outline that highlights the significant policy decisions that must be made in the design of the program. The Model Rule Outline and Identification of Key Policy Decisions is attached.²

¹The Model Rule Subgroup includes representatives from Connecticut, Massachusetts, New Hampshire, New Jersey, New York, and Vermont.

²The model rule outline follows the format of the Massachusetts NOx Budget Rule, which in turn was originally developed based on the Ozone Transport Commission's model rule. The Massachusetts rule was subsequently modified to

In the attached document the model rule outline sections are shown in bold font and are numbered with roman numerals. A brief description of the section follows in plain text. Policy issues identified under that section (if any) are shown in italics.

Some policy issues identified by the subgroup on model rule development need to be addressed in a broader context than the model rule. These policy issues are flagged at the end of the outline and have been raised for consideration by the Staff Working Group.

Next Steps

The Subgroup will focus its future efforts on continuing the development of the Model Rule. As policy decisions are made, additional model rule provisions will be drafted in successive iterations of the model rule outline. This task will be ongoing, with a final draft model rule due by February 28, 2005.

reflect the requirements of the NOx SIP Call. Though the current format of the Massachusetts NOx Budget Rule does not follow directly the NOx SIP Call Model Rule (40 CFR Part 96), it does contain all of the elements of 40 CFR Part 96, and is therefore a familiar starting point for most of the RGGI states.